

COMMITTEE ON REAL ESTATE

April 25, 2017

A meeting of the Committee on Real Estate was held this date beginning at 3:58 p.m. at City Hall, First Floor Conference Room, 80 Broad Street.

Notice of this meeting was sent to all local news media.

PRESENT

Councilmember White, Chair, Councilmember Moody, Councilmember Waring and Mayor Tecklenburg
Staff: Collen Carducci, Frances Cantwell, Christopher Morgan, Jacob Lindsey, Geona Shaw-Johnson, Rick Jerue, Councilmember Wilson, Councilmember Shahid, Abigail Darlington, Business Reporter, and Bethany Whitaker, Council Secretary

The meeting was opened with an invocation provided by Councilmember Moody.

APPROVAL OF MINUTES

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the April 11, 2017 Committee on Real Estate Meeting.

-APPROVAL OF A RENTAL IN THE AMOUNT OF \$300.00 FOR THE PICCOLO SPOLETO CHORAL PERFORMANCE ON SUNDAY, JUNE 4, 2017 AT 4:00 P.M. (273 MEETING STREET; TRINITY UNITED METHODIST CHURCH).

-APPROVAL OF A RENTAL IN THE AMOUNT OF \$300.00 FOR THE PICCOLO SPOLETO YOUTH MUSIC ON SATURDAY, MAY 27, 2017 (273 MEETING STREET; TRINITY UNITED METHODIST CHURCH).

-APPROVAL FOR USE OF THE FRENCH HUGUENOT CHURCH (136 CHURCH STREET) FOR PICCOLO SPOLETO L'ORGANO ON MAY 30, 2017. THE USAGE FEE OF \$250 WILL BE PAID DIRECTLY BY THE AMERICAN GUILD OF ORGANISTS.

-APPROVAL FOR USE OF FIRST SCOTS PRESBYTERIAN CHURCH IN THE AMOUNT OF \$200.00 FOR PICCOLO SPOLETO L'ORGANO ON JUNE 5, 2017 (53 MEETING STREET).

-APPROVAL OF USE OF SC PORTS AUTHORITY PARKING LOT-A IN THE AMOUNT OF \$2,490 FOR PICCOLO SPOLETO SUNSET SERENADE ON MAY 26, 2017 (176 CONCORD STREET).

Councilmember Moody said that they had been fussing about West Ashley and doing things pertaining to the festivals in West Ashley. They had four opportunities here. He thought that the reason that people were saying that places in West Ashley were not willing was because they were not asked. He said he would vote for this, but that it might be the last time he voted for it, without trying to do something in West Ashley. All of the churches there had plenty of parking and it would be great to have some of the events there.

Chairman White said that he wanted to echo that sentiment, and not specifically just for West Ashley, but to disperse events throughout the City. They had said on a number of occasions that the folks in

other areas would love to see it disperses and the people he represented on Daniel Island would love to see it dispersed. Councilmember Moody said the first four would be perfect.

Councilmember Waring said that Councilmember Seekings had asked for some of the events to be dispersed. Councilmember Moody said that they needed to be sure that they were dispersing things.

Mayor Tecklenburg said that when they had the ribbon cutting at the Schoolhouse that they had suggested that facility to be used and he believed it would be offered with no charge. Councilmember Moody said that there were a number of churches that would do that as well. There were plenty of places that would welcome this kind of stuff.

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the above rentals.

AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT OF PURCHASE AND SALE BETWEEN THE CITY OF CHARLESTON AND LATRICE. R. EVANS FOR THE SALE OF 1825 AUSTIN AVENUE FOR \$158,400. THIS PROPERTY IS BEING SOLD SUBJECT TO THE HOME INVESTMENT PARTNERSHIPS PROGRAM RESALE RESTRICTIVE COVENANTS WITH AN AFFORDABILITY PERIOD OF 30 YEARS. (1825 AUSTIN AVENUE; TMS: 464-01-00-132) [ORDINANCE]

Geona Shaw-Johnson stated that this was the ninth home in the Rosemont Community. It was finished 3 months prior and they had a waitress that would buy it. It was a family of three and she was receiving \$47, 520.00 in City Permanence Subsidy, and was bringing \$2,500 to the table. Through First Reliance Bank, who was financing, she would get \$7,500 in closing costs from them. The affordability period was 30 years but the City Subsidy was payable anytime the house was sold or re-financed.

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to approve to authorize the Mayor to execute the Agreement of Purchase and Sale between the City of Charleston and Latrice. R. Evans for the sale of 1825 Austin Avenue for \$158,400.

REQUEST APPROVAL OF THE MEMORANDUM OF AGREEMENT RELATING TO A JOINT PERMIT APPLICATION, EASEMENTS, OTHER AGREEMENTS AND IMPROVEMENTS NECESSARY FOR THE EXTENSION OF JOSEPH P. RILEY, JR. WATERFRONT PARK AND THE CONNECTION OF THE CITY'S RIVER WALK ON LCP'S PROPERTY AT 176 AND 186 CONCORD STREETS. THE PROPERTY IS OWNED BY LEUCADIA COAST PROPERTIES, LLC. (TMS: 459-00-00-276 AND 459-00-00-091)

Colleen Carducci stated that this was an agreement with the property owner, Leucadia Coast Properties, LLC. This agreement was a Memorandum of Understanding so that the City had the opportunity with the owner to file a joint application for a permit from the Army Corp of Engineers to do improvements for the park and extend the walkway. The City's goal had been to create the connecting walk-way all the way around the peninsula. This permit would allow for that that extension in front of the hotel site and connect to their adjacent property at 186 Concord Street which was currently a restaurant. It would also had a park area in addition to the walkway that would be used for the public. The developer would pay for all of the improvements necessary to do this work, but because there was a portion that was City owned, this would be a joint application. This also laid out the points of future easements that would be required as a result, such as the easement for the public on the walkway, and the use of the extended

waterfront park, and the potential for the waterfront taxi to be relocated to a new pier, that if approved, would be constructed in front of the hotel.

Councilmember Moody asked how many feet there would be and Ms. Carducci said that it would require additional fill. Chairman White said that he had seen the drawing and that if they envisioned about pushing it out about 20 feet and would be in a half moon shape. The park would come through the property line and meander behind the building, and keep going further. As you looked from the walkway to the building, it would be a tiered look. Councilmember Moody said that the public space would be the new fill area and not what was there right now. Chairman White said that was right. Councilmember Moody said that it would be open, and people could come and go because there wouldn't be a barrier that was locked. Chairman White said that the walkway was dedicated to the City and so that would be open to the public, but there would be easements on other portions of that area that would allow for public access, but it would be done in a way so that if the hotel wanted to have a special event, they could close it off for that. Councilmember Moody said that they were still talking about 10-12 feet or more. It could be 20 feet that could be public space forever. Chairman White said that the width of the walkway was 10-15 feet and it would at least be that wide going out.

Ms. Carducci said that the agreements that would result from this in the future, provided the permits were issued, they would come back with easement agreements for consideration of Council and the Real Estate Committee.

Mayor Tecklenburg said that he believed the walkway was 12 feet, and it would curve around what would become a plaza area that was elevated and finished to be the level of quality in the existing waterfront park. The walkway should be seamless in terms of conformity with what was already present in the park. It would seem like a natural extension of the park, and he believed an additional 400 feet was a tremendous asset to the park and for the City.

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the Memorandum of Agreement relating to a joint permit application, easements, other agreements and improvements necessary for the extension of Joseph P. Riley, Jr. Waterfront Park and the connection of the City's River Walk on LCP's property at 176 and 186 Concord Streets.

REMEDIAL ACTION REGARDING RESTRICTIVE COVENANTS ON PROPERTY AT ST. ANDREWS BOULEVARD AND SYCAMORE AVENUE

Frances Cantwell said that she was passing out a zoning map of the corner of St. Andrews Blvd. and Sycamore Avenue, and she wanted to point out that the property that was in red to the right of Sycamore, as well as the property in orange was a large tract of land at one point that were annexed into the City in 1986. In those days they didn't have the zoning tools that they had now, and so they had a practice of bringing property in but having covenants recording on the property that would dictate how it would be developed. It was a precursor to a PUD. When this property came in, in 1986, the 10 acres was designated as General Business subject to restrictive covenants. The restrictive covenants didn't say anything for or against residential development, but it limited the size and extent of retail and limited business. 3 years later, the remainder of the red which was now Ackerman Park, was rezoned

from GR-12 to General Business. There were restrictive covenants placed on this piece as well. In 2017, they had a new set of circumstances. The yellow was still being developed and was DR-12; Ackerman Park was not being used as General Business but that was how it was zoned and the 10 acre piece on the corner looks like and acts like General Business. The purchaser bought that property unaware of the covenants because the covenants had never been recorded. He had no record knowledge that they existed, and in fairness, she thought it was appropriate to bring the covenants to Council to acknowledge that they weren't enforceable. He was a verified purchaser. It slipped many years ago, and she was asking that they put on record that they were acknowledging that the covenants would not be enforced by the City, and the piece for Ackerman Park they had the right to rescind those covenants. They didn't have to, but if they were cleaning up the covenants, they could remove those.

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to remove the restrictive covenants as unenforceable and to be ignored for both properties.

RESOLUTION AUTHORIZING THE ACQUISITION OF A PARCEL OF LAND LOCATED ON SUMAR STREET BY WAY OF EMINENT DOMAIN

Mayor Tecklenburg stated that the property in question had a good bit of discussion and it was a gateway to West Ashley in his opinion. Most importantly, the intersection was commonly known as a "suicide-merge", and was a great waste of resource. They had a conceptual plan that had been reviewed with the county and DOT of straightening out the intersection and creating a real intersection that would be lighted that would allow for pedestrian crossings.

Jacob Lindsey stated that this was a two-part design that would resolve traffic problems that existed. They had preliminary discussions with their counterparts in the County as well as the DOT, and they had an idea about the new set of improvements that would bring Sam Rittenberg into a four-way lighted intersection. They would maintain the slip-lane southbound from the Northbridge area. It would resolve traffic problems, and was much safer for pedestrians than the present configuration. The preserved traffic flow had a pedestrian friendly design.

Mayor Tecklenburg said that the roadway came through the middle of the former Piggly Wiggly building, and given that it was used for public right-of-way, it would also allow them to utilize and request funds from the TST Program that the County already had, and for State/Federal DOT funding to help make the improvements funding. It was in the tax increment finance district as well. The value of the properties in the immediate area would be enhanced by what they were proposing. It was a great opportunity for re-development. There was a triangular area that was public right-of-way that was a total waster right now, and it could become a feature as part of a park, or if they wanted to have a Civic Building there would be room to make that happen. He said primarily this would fix the intersection problems, create connections for pedestrians, and make the Northgate area a pedestrian/bike destination. It would be a terrific addition to the City. He asked for Council's approval of the resolution that would enhance their ability to negotiate with the owners of the property, and then come back soon with a Contract for approval.

Councilmember Moody said that they were focused on one piece of property and if they were being asked to condemn the property tonight, or to just be able to discuss with the owners. He didn't have a problem with that, but as he started developing all of this, he wanted to get higher. There was an offer on the Church that was turned down, which told him that it was for sale. The money wasn't right, and there was a gas station that had been talked about. Behind the church, was the Masonic Lodge that could be bought also, not by the City. He asked what they could do to create connectivity to bring traffic off of Orange Grove Road. He thought that Sumar Street had a lot of curb cuts and there may be a way to re-do the property or close Sumar Street. He thought they were being narrow-minded and they needed to look at the whole area. It sounded like they were doing the right thing, but it may need to be expanded. Unless they had a good purpose for the property, he would much rather it be on the books and paying taxes.

Mayor Tecklenburg said that it was his expectation that they would not need to condemn the property. He wanted to negotiate an agreement to purchase the property and he was hopeful that would happen. He wanted to get Council's concurrence that this matter was important to them, that they would allow the possibility if need-be. The 30,000/50,000 foot look was happening and would continue to happen. He asked Dover Kohl to pay special attention to this area and the surrounding properties. The picture didn't show the rest of the neighborhood, but when they studied this site, they looked at the other connections. If they went down Sam Rittenberg Blvd. to the next light, there was a great opportunity to cut through and go back onto Orange Grove Road to create connectivity. They would have that information. Councilmember Moody said that number one was to fix the merge, and when they did that they would improve the property as well. It needed to be a win-win if they did this.

Councilmember Waring said that he thought it was bold move, and they didn't have a second chance to create that gateway into West Ashley. He had lived West Ashley most of his life and Sam Rittenberg Blvd. in his opinion was designed to get people in and out of the ship yard. The days of the ship yard had closed. They needed to pull back and get the higher view. The only entity that could correct the "suicide-merge" was government. They needed to get it right the first time. The crossing areas needed to be pedestrian friendly, because they weren't right now. He thought this was a good opportunity.

Ms. Cantwell said that this was a Committee meeting and so the discussion needed to be with the members. Everyone could attend and listen, and they would have public comment during the City Council meeting. Chairman White said that they had never taken lightly the process of condemnation. For the handful of times they needed to move forward they had, but he didn't think they had ever needed to go through the complete process of condemnation. They had been able to have resolutions and he hoped that this was the outcome for this as well. He said that there was a problem when they had road called "suicide-merge". There was a need for change. There were two bookends for redevelopment and this was one of them. The other was Citadel Mall, which was already on the way. This was part of the process. He was in favor of property owner's rights, and he didn't take the process of eminent domain lightly, but in this case it was for the benefit of the community. He hoped they could do it in a way that the owners could get a fair price for their property, and they didn't need to condemn the property.

On the motion of Councilmember Waring, seconded by Mayor Tecklenburg, the Committee voted unanimously to approve the resolution authorizing the acquisition of a parcel of land located on Sumar Street by way of eminent domain.

DISCUSSION RELATIVE TO 113 CALHOUN STREET AND MOTHER EMANUEL AME CHURCH

Mayor Tecklenburg stated that he wanted to get the Committee's input and direction for a matter that had come to the City regarding 113 Calhoun Street. They had purchased that property from the Sustainability Institute and they had a legal interest in the property as well as a right of first refusal. They had bought it back for \$350,000, and they had gotten a proposal from Mother Emanuel AME Church that they would like to use the property long-term for a museum-like display that they had received since the tragedy. In the meantime, the City had already leased to property to the Clementa Pinckney Foundation and the International African American Museum. They had lease-hold interest at this point, which the Church respected, but he wanted to get direction. The Church had asked the property to be donated to them. The City did have value in the property and it was appraised last year for about \$800,000. They had a cash outlay last year of the \$350,000 and his instinct was to meet them in the middle and come up with a number for the Church to consider. Something like \$450,000 would be a reasonable thing to take to the Church, because it would return some value to the City.

Councilmember Moody said that his knee-jerk reaction was that they shouldn't just be giving it to them. In terms of value, he didn't know if they needed to do it at appraisal. They may need to calculate interest on what they paid or at least get their cash back from when they bought it back. He asked what kind of improvements they had made to it and Mayor Tecklenburg said they had made hardly any improvements. The City of Charleston bought the property 20-25 years for a nominal sum. Councilmember Waring said it was falling down and the City helped the Institute raise money. They did a wonderful job renovating it. Councilmember Moody said that there was a lot of money given to the Church after the disaster and they wanted to use the property to store the memorabilia and keep it alive, and they could use some of that money for that purpose. That would be a good use for the money.

Councilmember Waring said that they were looking at this too much as a business transaction and that this was no longer Charleston's story. The tragedy went worldwide and if someone went the airport, there was a memorial there when a person came through the rotunda headed to the carriage carousel. He thought that there should be an archive for the memorabilia. A lot of the money that was given was given for specific purposes, such as community foundation and scholarship purchases. He didn't think the City should be known for asking them to use the money to obtain this property. The City could make a better arrangement. The Stable property and portions of Hampton Park were being leased for \$1 per year and he wondered how much that property was worth. They had done things for non-profits to expand their reach and mission. This expansion would be for the proper telling of history. The City could still own the property. Councilmember Moody asked if he thought they should just lease the property for nothing and Councilmember Waring said that was one way to do it.

Councilmember Moody said that this could set precedence, and he was thinking of them owning it and controlling it, but if the City would control it than it might be different. Councilmember Waring asked if the City really controlled the Firemen's site and Councilmember Moody said that it was open, but that was the City's choice. Mayor Tecklenburg said that the Church had a clear desire to own the property

and Councilmember Moody said that if the City still owned it then it would have the responsibility for insurance and maintenance. He wanted to explore the possibilities. Chairman White said that from a location standpoint, it made sense, but there was no parking on that site. There would be people that would traverse that part of Calhoun Street, and from a planning standpoint, there would have to be something that created a safe cross-walk. They were the best ultimate user of the site, but they needed to get that done correctly. It made sense to make the deal work, but he thought they needed to get the cash back that they just put into it, at minimum. He didn't think they needed to get market value, but if they sold it to them at a lesser value, they needed to put some reverter clauses and deed restrictions that it would be used for that purpose.

Mayor Tecklenburg said that he thought he had enough direction to take something back to the Church. Councilmember Waring said that he thought they needed to pull back on the business transaction part. As far as memorializing that history, he asked what the City had done to date. Chairman White said that he didn't think anything had been specifically, other than memorializing the activity in the tree-planting and the street name. Councilmember Moody said that the best way to tell the story may be through the IAAM Museum. There would be curators that could maintain it and make sure it wouldn't deteriorate. They could give it to the church and create a cash-drain on them, or it could not be taken care of down the road. Councilmember Waring said that people may go to the Museum, but they would still go to the Church. The cross-walk made sense. Chairman White said that regardless of what happened at this piece of property, some of the story would be told at the Museum. He couldn't imagine that they wouldn't put some sort of program together.

Having no further business, the meeting adjourned at 4:50 p.m.

Bethany Whitaker
Council Secretary